

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
AUGUST 11, 2005

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were: Judith G. Ripley, Director; J. Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director, Depository Division; Kirk J. Schreiber, Senior Bank Analyst; Mark Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division; John Schroeder, Deputy Director, Non-Depository Division and Associate Counsel; Chuck T. Stumpf, Deputy Director, Administration Division and Ronda Bailey, Administrative Secretary. Guest was Michael R. Brown, Vice President of Executive Media.

I. EXECUTIVE SESSION:

A. Neidow V. Cash In A Flash, Inc.

Phil Goddard and John Schroeder updated the Members on litigation of pending appeal and consideration of filing of the (Amicus Brief) against Neidow V. Cash In A Flash, Inc. This session was authorized by IC §§ 5-14-1.5-6.1(b)(2)(B),(b)(6)(A), and (b)(7) which is confidential as provided in IC § 28-1-2-30.

B. Payday Today, Inc., Merrillville, Lake County, Indiana

John Schroeder and Phil Goddard updated the Members on litigation of Payday Today, Inc., Merrillville, Indiana. This session was authorized by IC §§ 5-14-1.5-6.1 (b)(2)(B),(b)(6)(A), and (b)(7) which is confidential as provided in IC § 28-1-2-30.

C. Fares Loans, Evansville, Vanderburgh County, Indiana

Mark Tarpey informed the Members of examination results and business practices of potential administrative action against Fares Loans, Evansville, Indiana. This session was authorized by IC §§ 5-14-1.5-6.1 (b)(2) (B), (b)(6)(A), and (b)(7) which is confidential as provided in IC § 28-1-2-30.

II. PUBLIC SESSION:

A. Chairman Bochnowski introduced new Board Member, Mr. Travis Holdman. Mr. Holdman is President and CEO of MarkleBank, Markle, Huntington County, Indiana. Mr. Holdman replaced Mr. David Baer. J. Philip Goddard, Chief Counsel swore in Mr. Holdman.

B. Members Present: David A. Bochnowski, Richard Rice, Mike Davis, Paul Sweeney and Travis Holdman. Joe Pierce was absent.

C. Next meeting: September 8, 2005 @ 9:00 a.m., at The Office of the Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

D. Chairman Bochnowski entertained a motion to approve the minutes for the June 30, 2005 meeting. Mr. Sweeney moved the approval of the minutes; Mr. Davis seconded the motion, and the motion passed unanimously.

E. Re-Organization of the Members as stipulated in IC 28-11-1-8.

- 1.) **Election of Vice Chairman** – Mr. Davis moved for the nomination of Joseph Pierce as Vice Chairman, seconded by Mr. Rice. There being no further discussion, the motion passed unanimously.
- 2.) **Election of Secretary** – Mr. Davis moved for the nomination of J. Philip Goddard as Secretary, seconded by Mr. Sweeney. There being no further discussion, the motion passed unanimously.
- 3.) **Election of Assistant Secretary** – Mr. Sweeney moved for the nomination of James Cooper as Assistant Secretary, seconded by Mr. Holdman. There being no further discussion, the motion passed unanimously.
- 4.) **Other organizational matters.** There were no other organizational matters to be addressed.

F. DIVISION OF BANKS AND TRUST COMPANIES:

1. James Cooper informed the Members that the Department had been reaccredited by the Conference of State Bank Supervisors. Chairman Bochnowski thought it appropriate to make a motion on commending the Department on the receipt of the accreditation. Mr. Rice moved approval of the motion and was seconded by Mr. Holdman. **The motion was unanimously approved.**

G. CONSUMER CREDIT DIVISION:

1. Consumer Credit Division Supervisor Tarpey detailed summary information in regards to the choice of two database providers under IC 24-4.5-7-404(5) for single-pay, short-term lenders (payday lenders). IC 24-4.5-7-404(5) provides that the department shall monitor the effectiveness of private consumer credit reporting services in providing verification information. If the department determines that one (1) or more commercially reasonable methods of verification are available, the department shall provide reasonable notice to all lenders. As discussed as an information item at the June 30, 2005 Members meeting, staff has currently identified two database providers. These are Teletrack of Norcross, Georgia and Veritec of Jacksonville Florida.

Approval was requested for these two companies and the staff seeks delegation authority to the Director or the Director's designee to make a determination of commercial reasonability with respect to any future vendors seeking to provide this service. **A motion was made by Mr. Sweeney and seconded by Mr. Rice. The motion was unanimously approved.**

2. The staff requested the Members delegate to the Director or her designee authority to revoke or suspend consumer licenses. Mr. Holdman made a motion that the Members delegate to the Director, or her designee, the authority to initiate revocation and/or suspension proceedings with respect to licensed lenders, money transmitters, check cashers, budget service companies, and pawn brokers. This delegation is in addition to the Director's statutory authority to initiate emergency revocation proceedings, as necessary. Further, this delegation contemplates that the Members will retain the ultimate decision with respect to the license revocation in the event the licensee seeks review of a revocation order pursuant to administrative proceedings. **Mr. Davis seconded the motion. The motion was unanimously approved.**
3. Philip Goddard requested that the Members authorize the staff to do what's necessary to file a (Amicus Brief) in Neidow V. Cash In A Flash, Inc. This was discussed in the Executive Session. **A motion was made by Mr. Davis and seconded by Mr. Sweeney. The motion was unanimously approved.**

H. DIRECTOR'S COMMENTS :

1. The staff requests that the Members approve the Order of Delegation of Duties to the Director. Highlighted items (i) and (j) under Consumer Credit Division are the items added. The original signed copy will be placed in the official minute book. **A motion was made by Mr. Rice and was seconded by Mr. Sweeney. The motion was unanimously approved.**
2. Director Ripley presented to the Members for approval a resolution of appreciation for former Member and Vice Chairman, David D. Baer. **A motion was made by Mr. Davis and seconded by Mr. Rice. The motion was unanimously approved.**
3. **First State Bank, Middlebury, Henry County, Indiana**
On June 29, 2005, the bank notified the Department of its intent to establish a qualifying subsidiary pursuant to IC 28-13-16. The subsidiary will be known as FSB Real Estate, Inc. The subsidiary is being established to invest, reinvest, hold, own and manage real estate assets, primarily residential mortgages from the Bank. **This item was for informational purposes only.**
4. **Springs Valley Bank & Trust Company, French Lick, Orange County, Indiana**
The bank notified the Department that they closed the branch banking office that was known as the "**Boren Branch**" located at 614 East Water Street, Borden, Clark County, Indiana. The branch office closed on June 24, 2005 @ 5:00 p.m. **This item was for informational purposes only.**

I. ACTIONS BY DELEGATED AUTHORITY:

1. COMMUNITY TRUST & INVESTMENT COMPANY, INC., NOBLESVILLE, HAMILTON COUNTY, INDIANA

Community Trust & Investment Company, Inc. has applied to the Department for permission to amend Article 1, Section 1 of its Articles of Incorporation. The amendment to Article 1, Section 1 will change the bank's name to **Nexus Fiduciary Trust Corporation**. The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **This was approved by the Director on June 28, 2005, under delegated authority.**

2. MONROE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA

The bank has applied to the Department for approval to relocate a branch office from **65 East Garner Road, Suite 400, Brownsburg, Hendricks County, Indiana** to **1490 North Green Street, Brownsburg, Hendricks County, Indiana**. The application was received on May 25, 2005. The branch is to be known as the **Brownsburg Banking Center**. The bank proposes to build a 5,000 square foot new modern facility. The bank purchased the land from an independent third party for \$943M. The estimated cost for constructing the new branch is \$805M. Furniture, fixtures, and equipment costs are projected at \$400M. No relationship exists between the parties involved in this transaction. The bank plans to sublease the current location until its lease expires February 28, 2007. The expected date to relocate is January 2, 2006. The bank's three-year average ROA is 1.07%. As of March 31, 2005, the bank's ROA was 1.04% and its Tier 1 leverage capital ratio was 7.63%. The investment in total fixed assets to total capital will increase from 21.59% to 25.59% after the branch relocation. The bank will have sixteen branches after the relocation. **This was approved by the Director on June 28, 2005, under delegated authority.**

3. AMERIANA BANK & TRUST, NEW CASTLE, HENRY COUNTY, INDIANA

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$750,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular third quarter dividend and for other holding company expenses. As of March 31, 2005, the bank's Tier I leverage capital ratio is 8.55%. Proforma Tier 1 leverage to total estimated assets as of June 30, 2005, is approximately 8.95% after the payment of the dividend. **This was approved by the Acting Director on July 18, 2005, under delegated authority.**

4. SYMPHONY BANK, INDIANAPOLIS, MARION COUNTY, INDIANA

Symphony Bank has requested approval of the Director for permission to add an executive officer to the bank. Symphony Bank was approved as a state chartered commercial bank by the Department on April 14, 2005, and opened for business on June 29, 2005. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years of operation.

Symphony Bank has requested employing Ms. Linda C. Zappia as Executive Vice President and Director

of Business Services for the bank. Based on a review of all the information submitted on Ms. Zappia, no unfavorable responses were noted during the investigation. **This was approved by the Acting Director on July 18, 2005, under delegated authority.**

5. **BANK OF EVANSVILLE, EVANSVILLE, VANDERBURGH COUNTY, INDIANA**

The Bank of Evansville has requested approval for a deviation to its submitted business plan.

The Bank of Evansville converted from a national association to a state chartered commercial bank through a merger with an interim bank approved by the Department on August 12, 2004. Pursuant to the approval conditions by the Department, the Director must give prior written approval to any material changes or deviations from the submitted business plan during the first three years of operation after consummation of the transaction.

The bank's holding company, American Community Bancorp, Inc., executed a letter of intent to issue and sell \$3,000,000 in American Community Bancorp, Inc. trust preferred securities. The transaction is expected to close on July 17, 2005. The holding company plans to use \$2,900,000 of the proceeds to provide additional capital to the bank to support its growth. The issuance of \$3,000,000 in trust preferred securities is in addition to a \$5,000,000 issuance of trust preferred securities on May 6, 2005 that the Director approved on April 21, 2005. The additional \$3,000,000 in trust preferred securities and retention of projected earnings will support the bank's projected capital needs until 2009. **This was approved by the Acting Director on July 18, 2005, under delegated authority.**

6. **REGIONS BANK, BIRMINGHAM, JEFFERSON COUNTY, ALABAMA**

An application for issuance of a certificate of admission was received from Regions Bank, Birmingham, Jefferson County, Alabama ("Regions"). On June 29, 2005, Union Planters Bank, National Association merged with and into Regions. Regions an Alabama state chartered bank is the resulting bank after the merger and has retained Union Planters Bank's branches in Indiana. This foreign corporation application is being filed to enable the surviving corporation to transact business in Indiana in accordance with the provisions of IC 28-1-22 and IC 28-2-17. Corporation Services Company, 251 East Ohio Street, Suite 500, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by Regions. **A Certificate of Admission was issued by the Acting Director under delegated authority on August 4, 2005.**

7. **COMMUNITY CENTRAL BANK. MT. CLEMENS, MACOMB COUNTY, MICHIGAN**

An application for issuance of a certificate of admission was received from Community Central Bank, Mt. Clemens, Macomb County, Michigan ("Community Central"). Community Central filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Merrillville, Indiana. Community Central is a Michigan state chartered bank. National Registered, Inc., 320 N. Meridian Street, Suite 1100,

Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by Community Central. **A Certificate of Admission was issued by the Acting Director under**

delegated authority on August 4, 2005.

8. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment placed the following organizations into the field of membership of the credit union:

Double Eagle – Fishers – 25 members (common bond of occupation as defined by 28-7-1-10). Insley Systems – Indianapolis – 12 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on June 27, 2005, under delegated authority.**

9. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Indiana Health Care Association – Indianapolis – 25,000 members (common bond of professional association as defined by 28-7-1-10).

Ontwa Township-Edwardsburg Police Department – Edwardsburg, MI – 10 members (common bond of occupation as defined by 28-7-1-10).

Custom Air, Inc. – Bristol – 2 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Acting Director under delegated authority on July 13, 2005.**

10. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Pleasure Pools – Benton Harbor, MI – 20 members (common bond of occupation as defined by 28-7-1-10).

Chesapeake Run Golf Club – North Judson – 30 members (common bond of occupation as defined by 28-7-1-10).

Chesapeake Village, Inc. – North Judson – 3 members (common bond of occupation as defined by 28-7-1-10).

The Roudebush Company, Inc. – Star City – 5 members (common bond of occupation as defined by 28-7-1-10).

Moss Creek Golf Club – Winamac – 12 members (common bond of occupation as defined by 28-7-1-10).

Chesapeake Electronic Recycling, Inc. – Winamac – 20 members (common bond of occupation as defined by 28-7-1-10).

QSC Enterprises, LLC – Battle Creek, MI – 65 members (common bond of occupation as defined by 28-7-1-10).

Belladonna, Inc. – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10)

Nash Finch Company – Westville – 390 members (common bond of occupation as defined by 28-7-1-10). **The Acting Director approved this on July 25, 2005, under delegated authority.**

11. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Central Security Systems, Inc. – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10).

Greenfield Builders. – Indianapolis – 25 members (common bond of occupation as defined by 28-7-1-10).

Deem, LLC – Indianapolis – 225 members (common bond of occupation as defined by 28-7-1-10).

The Indiana Rail Road Company – Indianapolis – 99 members (common bond of occupation as defined by 28-7-1-10).

Black Mountain Musical – Indianapolis – 11 members (common bond of occupation as defined by 28-7-1-10).

Pathway Productions Company – Indianapolis – 20 members (common bond of occupation as defined by 28-7-1-10).

Nyhart – Indianapolis – 137 members (common bond of occupation as defined by 28-7-1-10).

IMC Credit Services – Indianapolis – 60 members (common bond of occupation as defined by 28-7-1-10).

Computer Experts, Inc. – Indianapolis – 9 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on July 25, 2005, under delegated authority.**

12. Allied Home Mortgage Capital Corporation requested a consumer loan license. Applicant is based in Houston, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They

currently operate in 47 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**

13. **CSMC, Inc., d/b/a Direct Mortgage Funding** requested a consumer loan license. Applicant is based in Wauwatosa, Wisconsin. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/ attorneys. They currently operate in 10 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors/members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
14. **DVB, Inc., d/b/a Quik Payday Loans** requested a consumer loan license. Applicant is based in Greencastle, Indiana. They will be making single pay, short-term loans under IC 24-4.5-7. They will be servicing their loans. Vicki Bonifield, President, and Brad Gilliam, Secretary came to the DFI for a small loan license interview on June 15, 2005. Deputy Director John J. Schroeder, Division Supervisor Mark B. Tarpey, and Field Supervisors Rick A. Bane and Robert W. Benbow represented the Department. Several payday lending issues were discussed with the applicants, including the debt treadmill, limitations on collections and legal actions, maximum charges, income requirements to qualify for the loan, and limitations on the number of loans. The consensus of those Department representatives present was that it appears the applicants are sincere and want to operate a legitimate small loan company. They are willing to sign a Memorandum Of Understanding (MOU) agreeing not to expand its current ownership and/ or management group to include any person as an officer, employee, assistant, consultant, or in any other official or unofficial capacity that is or has been involved, either individually or through some form of ownership, in any business the Department has determined to have engaged in disguised lending and/or subterfuge. Applicant will remain in compliance with small loan statutes and the Department's interpretation of same, and to accept responsibility for all the entity's actions as officers of the newly licensed company, then they should be granted a loan license. They would be subject to examination once the business has been established to ensure compliance with the MOU. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors/members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
15. **First Ohio Banc & Lending, Inc.,** requested a consumer loan license. Applicant is based in Independence, Ohio. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 14

other states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**

16. **KJM, Inc., d/b/a Capstone Financial** requested a consumer loan license. Applicant is based in Fishers, Indiana. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 2 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
17. **Mortgage Strategies Group, LLC** requested a consumer loan license. Applicant is based in Boca Raton, Florida. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 38 other states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
18. **New Century Mortgage Ventures, LLC** requested a consumer loan license. Applicant is based in Irvine, California. They will be making second mortgage loans. Loans will be serviced by their affiliated company, LL# 1486, New Century Mortgage. Loans will be closed by a title company. They currently operate in 50 other states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
19. **PHH Home Loans, d/b/a Coldwell Banker Home Loans** requested a consumer loan license. Applicant is based in Mount Laurel, New Jersey. They will be making second mortgage loans. Loans will be serviced by an affiliated company; PHH Mortgage LL #1081. Loans will be closed by title companies/ attorneys. They currently operate in 33 other states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27,**

2005, under delegated authority.

20. **River City Pawnbroker, Inc.** requested a small loan license. Applicant is based in Evansville, Indiana. They will be making single pay, short-term payday loans under IC 24-4.5-7. They will be servicing their loans. Mr. Daniel J. Maloney is the President of the company and his brother Steve Maloney will also be involved as a corporate officer. These brothers currently hold Pawn License Number 203 and formerly held Loan License Number 1437. The pawn shop currently licensed has been examined 6 times since the license was

granted in September 1993. The most recent examination was conducted on June 20-21, 2005, with both locations of the licensee visited. The purpose of this examination was to determine the licensee's compliance with the Pawnbroking Law of Indiana before any decision was made on the small loan license application. A thorough examination was made with no violations of any type being cited. The licensee is quite well versed in the requirements of the Pawnbroking Law and makes every attempt to ensure compliance. The previous examinations have resulted in substantially the same results, with only a couple of minor non-refundable violations cited since the license was issued. The loan license previously held by the applicant's was voluntarily surrendered in February 2002, shortly after the Indiana Supreme Court ruling relating to payday lending. The applicant did not enter into any other type of lending at that time, such as a bank affiliation or Internet rebates, but instead ceased that type of lending entirely. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors/members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**

21. **Sirva Mortgage, Inc.** requested a consumer loan license. Applicant is based in Mayfield Heights, Ohio. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They currently operate in 50 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors/members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**

22. **Union Equity Corporation** requested a consumer loan license. Applicant is based in Indianapolis, Indiana. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They currently operate in 7 other states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**

23. **Discount Check Cashing, Inc.** requested a check casher license. Applicant is based in Indianapolis, Indiana. They will be cashing all types of checks. References were all satisfactory. Fee will be 2%-4%. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
24. **DVB, Inc., d/b/a Quik Payday Loans** requested a check casher license. Applicant is based in Greencastle, Indiana. They will be cashing all types of checks. References were all satisfactory. Fee will be 2%-4%. Applicant has also applied for a small loan license under #9849. See prior comments on this entity. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
25. **JMS Consulting, LLC** requested a check casher license. Applicant is based in Indianapolis, Indiana. They will be cashing all types of checks. References were all satisfactory. Fee will be 2%. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
26. **Kuhlman Investment, Inc., d/b/a Simpson's Supermarket** requested a check casher license. Applicant is based in Evansville, Indiana. They will be cashing all types of checks. References were all satisfactory. Fee will be 2%. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **This was approved by the Director on June 27, 2005, under delegated authority.**
27. **American National Gap Program** requested approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in League City, Texas. Maximum charge to customer is \$420. Customer deductible is covered up to \$1,000. There is a 30 day free look period. Rule of 78's refund upon prepayment in full. Customer will finance at least 80% of MSRP for a new vehicle and NADA average retail value for a used auto. There is a contractual liability policy issued by American National Property and Casualty. The initial creditor requesting approval is Freedom Bank. All future creditors/dealers will agree to abide by the same terms as those approved. The staff's review

finds that the charge would be of benefit to the consumer and is reasonable in relation to the benefits as provided for under IC 24-4.5-2-202(1)(c)/3-202(1)(e). Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. **This was approved by the Director on June 27, 2005, under delegated authority, subject to the above conditions.**

28. **Capital Mortgage Services, Inc. d/b/a Unlimited Loan Resources** requested a consumer loan license. Applicant is based in Columbus, Ohio. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 6 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**
29. **Equity Corner, Inc.** requested a consumer loan license. Applicant is based in Foothill Ranch, California. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They currently operate in 10 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**
30. **Equity Resources of Ohio, Inc.** requested a consumer loan license. Applicant is based in Newark, Ohio. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 4 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**
31. **E-Z Cash Advance, LLC.** requested a consumer loan license. Applicant is based in Muncie, Indiana. They will be making single pay, short-term, payday loans under IC 24-4.5-7. They will be servicing their loans. On Wednesday, June 22, 2005, at 10:05 AM, in the offices of the department, Mr. Stuart Michael Robinson, sole Member and owner of E-Z Cash Advance, LLC, was interviewed. Representing the Department were John Schroeder, Deputy Director; Mark Tarpey, Division Supervisor; and Robert W. Benbow, Field Supervisor.

Mr. Robinson is the husband of Kristie Robinson, Managing Member, American Cash Net. LLC. This entity is currently in litigation with the DFI and the Office of the Attorney General under disguised lending through the use of cash rebates. This case is still pending.

Kristie Robinson had submitted a small loan license application to this Department in March of 2004 under the name of American Cash Advance, LLC. Ms. Robinson was the sole owner and Managing Member of the LLC. The application was returned to Ms. Robinson in March of 2004 due to the pending litigation.

IC 24-4.5-3-503 provides that the department shall not issue a license unless the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of the statute. The interview process is intended to aid the department in making an evaluation of the applicant's character and general fitness.

Mr. Schroeder addressed the business activities of Mrs. Robinson and he made very clear our concerns. Mr. Robinson responded that his wife will not be a part of his business. (As of September 1, 2005, she will be out of business.) Mr. Robinson stated that he would be agreeable to signing an MOU which contained restrictions relating to his wife or any other employees, consultants being involved in the business.

Mr. Robinson stated that he will not use any customer information from his wife to solicit customers for his business, and agreed to commit to this in writing.

Mr. Robinson stated that he would co-operate fully with the DFI. Mr. Robinson said that he was at this meeting to tell us that he will comply with the directives of this department, and that he would commit to this in writing.

Mr. Robinson signed an MOU on July 12, 2005.

The staffs review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**

32. **First Guaranty Mortgage Corporation** requesting a consumer loan license. Applicant is based in McLean, Virginia. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 44 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is

recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**

33. **Mandalay Mortgage, LLC.** requested a consumer loan license. Applicant is based in Woodland Hills, California. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 7 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**
34. **Mortgage Network, Inc. d/b/a MNET Mortgage Corp.** requested a consumer loan license. Applicant is based in Danvers, Massachusetts. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They currently operate in 19 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Acting Director on July 15, 2005, under delegated authority.**

CERTIFICATION:

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

APPROVED:

David A. Bochnowski, Chairman

ATTEST:

J. Philip Goddard, Secretary